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Bankrolling International Murder and Extortion

THE FINANCING OF TERROR How the Groups That Are Terrorizing the World Get the Money to Do It

By James Adams
Simon and Schuster. 293 pp. \$18.95

By James Bamford

THE TERRORISTS are coming!!! The terrorists are coming!!! An entire cottage industry has developed over terrorphobia. Television networks turn a hijacking into a mini-series. Every think tank, police force, subway system and fast food restaurant has its own mandatory "terrorism expert." (In fact, there are probably more "terrorism experts" than there are terrorists.) There are newsletters, magazines and even scholarly journals devoted to the subject. For \$3,000 you can subscribe to a computer bank which will keep you informed of the latest terrorist happening around the world. Insurance companies, including stodgy Lloyd's of London, are hawking kidnap insurance—\$20 million worth of coverage for a cut rate \$600,000 a year in premiums. And if all else fails, you can call G. Gordon Liddy, of Watergate fame, who will dispatch his private Delta Force to the rescue for a mere \$1 million.

As anyone in the Reagan administration will tell you, it is really quite simple. International terrorism is financed by a conspiracy led by the Soviet Union and Muammar Gadhafi, the Evil Empire and the Godfather of Terrorism. Do away with the two of them and we do away with terrorism. Until then, forget about Europe and head for Yosemite.

In reality, there is a far greater chance of being killed by a wayward bolt of lightning in your back yard than of being blown up by a terrorist in Europe. And, as James Adams points out in *The Financing of Terror*, there is also little reality to the other two canards. "For many years," he writes, "Gadhafi has been portrayed as the godfather of international terrorism, the man to whom all terrorists can go to have their pockets filled with gold and as many Kalashnikovs as they might require to further a revolution. Astonishing as this may seem, particularly in the light of recent U.S. government statements about Libya's support of terrorism, this image is hopelessly out of date and is nothing like an accurate reflection of Gadhafi or the nature of international terrorism today . . . For the last five years, Gadhafi has supplied almost no money to terrorist groups. Even the PLO, which still receives the full brunt of supportive propaganda from the Libyan publicity machine, has received no money since 1982, much to the disgust of the PLO leadership."

With regard to the Russians, Adams writes, "The Soviets have never provided funding for the PLO, and all the Palestinians interviewed during the research for this book talked in the most insulting terms about their alleged ally. Not only have the Soviets never contributed financially to the PLO cause, but they make the Palestinians pay in hard-earned foreign exchange for all arms delivered, and, for all their propaganda, the Israelis will privately admit that the U.S.S.R. gives no financial support to the PLO. As one senior intelligence officer in Jerusalem put it: 'The Russians have never given the PLO anything except for a few scholarships.'"

Over the last few years there has been a rash of books, as well as serious studies, on terrorism. A large percentage, however, are heavily slanted toward the author's special interest group and simply point out the evils of one organization or another. Adams, defense correspondent for the *London Sunday Times*, does a good job in avoiding bias as he focuses on an important topic saturated with disinformation and misconceptions: the money flow to a number of major terrorist organizations.

Twenty years ago, Adams points out, the PLO's income was entirely dependent on "hand-outs from rich Arabs." Today, however, "out of its \$600 million annual income, more than \$500 million comes from investments, with donations from Arab leaders making up the balance."

"Even if all Arab aid to the PLO were cut off tomorrow," he adds, "the PLO would merely have to cut back its annual budget by one-sixth. It would still have \$500 million to play with, and the organization would undoubtedly survive."

Another terrorist group abounding in misconceptions is the Irish Republican Army. Adams asserts that, contrary to popular belief, the amount of financial support provided, both overtly and covertly, to the IRA by U.S. sympathizers is almost negligible. At its height, in 1981, following a series of deaths as a result of hunger strikes by a number of IRA men locked in prison, U.S. donors contributed a modest \$250,000. Since that time, partly as a result of increased pressure by the FBI on the U.S. elements of the IRA, the amount contributed has been reduced substantially further. The bulk of the organization's income, according to Adams, comes from such activities as smuggling, which nets an estimated \$150 million a year, protection rackets and kidnappings.

Adams concludes that rather than simply "stop the bomber or capture the assassin before he or she presses the button or pulls the trigger," the government should go after the substantial financial resources of the various organizations. "Destroy the economic base and a terrorist group will wither and die. After all, terrorists cannot live on idealism alone, and even if their services do come cheap, they need to eat and to buy ammunition for their guns." As evidence the author cites the successful FBI campaign against IRA support in the United States.

But, as Adams pointed out, even before the FBI crackdown the amount of money the IRA received from U.S. supporters was only a drop in the bucket. Cracking down on nameless international investors operating behind front organizations in numerous Middle East and Third World countries is certainly a much more difficult, if not impossible, task. If one money supply is cut off, another one will surely open.

The greatest threat to our society comes not from the occasional act of violence by a terrorist but from allowing hysteria to take the place of reason. The Reagan administration, regrettably, has chosen not only to encourage this hysteria but to use it as a political tool. Terrorism is the ultimate buzz word. Brand a country with it and then let the bombs drop. To argue that it is being done to protect the lives of Americans is disingenuous. The odds are more than 850 times greater that a person will be murdered in the United States than die in an overseas terrorist incident, yet President Reagan has never been interested in gun control. Twenty-three Americans died in terrorist incidents worldwide last year, only two of them in the United States, but more than 40,000 will die on the highways this year; yet there is no presidential push for airbags.

Most terrorism is born of oppression and injustice and survives on hatred and dreams. There are no simple answers such as dropping bombs or plugging a money supply. The most valuable weapon against terrorism is a table and chairs.

James Bamford is the author of "The Puzzle Palace," about the National Security Agency, and writes frequently on national security issues.